
Appendix one – Response from agency



Communities
& Justice

Ms Margaret Crawford
Auditor-General
Audit Office of NSW
GPO Box 12
SYDNEY NSW 2001
Email: margaret.crawford@audit.nsw.gov.au

Ref: AF20/17245

Dear Ms Crawford

Thank you for the opportunity to respond to the *Performance Audit Report: Their Futures Matter*.

Your recommendations will help us build on the results achieved in the past four years for vulnerable children and families in NSW.

The independent review that triggered the *Their Futures Matter* reform projected that, even if its recommendations were fully implemented, the number of children in out-of-home care would continue to rise, with 2,500 more children in care within four years¹.

In fact, the number of children in care has fallen – not risen – over that time².

Just prior to the start of the *Their Futures Matter* reform, NSW had the fourth highest rate of children coming into care in Australia³.

We now have the lowest for all children and the second lowest for Aboriginal children⁴.

Their Futures Matter has provided a strong foundation for continuing to improve responses to vulnerable children and families:

- Developed an investment approach and used it to reprioritise all education, health and communities and justice funds not under contract and available for reprioritisation (~\$20M)
- Implemented evidenced-based family supports at scale that have supported more than 2,500 children – half of them Aboriginal - and which interim evaluation shows are effective in helping children remain safely at home⁵.

¹ Independent review of out of home care in NSW, Final report – David Tune AO PSM (p 26)

² There were 16,884 children in out of home care as at 30 June 2019 (FACS 2018-19 Annual Report)

³ Children admitted to out-of-home care per 1,000 population in 2014-15 - Table S5.17 (Child Protection Australia 2018-19)

⁴ Children admitted to out-of-home care per 1,000 population in 2018-19 - Table S5.17 (Child Protection Australia 2018-19)

⁵ Shakeshaft A, Economidis G, D'Este C, Oldmeadow C, Tran DA, Nalukwago S, Jopson W, Farnbach S, Doran C. The application of Functional Family Therapy-Child Welfare (FFT-CW®) and Multisystemic Therapy for Child Abuse and Neglect (MST-CAN®) to NSW: a draft interim evaluation of processes and outcomes. *NSW Government's Their Futures Matter*, January 2020.

Department of Communities and Justice

Postal address: Locked Bag 10, Strawberry Hills NSW 2012

W www.dcj.nsw.gov.au

T (02) 9377 6000 | TTY (02) 8270 2167

ABN 36 433 875 185

- Put in place robust cross-agency governance mechanisms. Current projects to reduce the number of young people on short term remand and integrate responses to children in Western NSW in their first 2000 days of life are examples of effective cross agency work to drive local commissioning; and
- The cross-government TFM Implementation Board is being replaced with new governance arrangements before the end of 2020.

The objectives of the 2016 reform remain, but the means of delivering some of them have changed.

In mid-2019, the Government merged the departments of Family and Community Services and Justice to improve earlier intervention for vulnerable children and families and to pool formerly separate funds linked to those goals in a single agency.

The Government has also established an evidence bank and data partnership to build evidence of what works, establish benchmarks for evidence quality and investment approaches to social policy and progressively catalogue the costs and benefits of different policy interventions.

These, combined with the Government's new outcome budgeting approach, will build on the 'important foundations' you found were established by *Their Futures Matter*.

The Government's Data Analytics Centre will take over management of the TFM Human Services Data Set, which is being updated and expanded.

The data set has already been used to predict likely demand for key mental health, justice and social welfare services following the economic slump caused by COVID-19.

NSW Health is leading collaboration across government and non-government agencies to deliver the First 2000 Days, vulnerable families strategy.

And our department is implementing the recommendations from work done by TFM across government and the sector to redesign the child wellbeing and child protection intake systems.

If you would like more information about DCJ response to the audit recommendations, please contact Ms Simone Walker, Deputy Secretary, Strategy, Policy and Commissioning at Simone.Walker9@facs.nsw.gov.au or telephone (02) 9716 2992.

Yours sincerely



Michael-Coutts Trotter
Secretary

23 July 2020

New South Wales Auditor-General's Report - Performance Audit
{Their Futures Matter}

MANAGEMENT AGREED ACTION PLAN

(Note: All dates and activities are predicated on budget, staffing and department strategic direction related to the former Their Futures Matter (TFM) Reforms, activities and program of work. Anticipated completion date for work on department strategic directions is 31 October 2020 by Deputy Secretary, Strategy, Policy and Commissioning)

REC NO.	THE DEPARTMENT OF COMMUNITY AND JUSTICE SHOULD, BY JUNE 2021:
1)	<p>Continue work to deliver the intent of reform, including by:</p> <ul style="list-style-type: none"> a) developing a strategy and key performance indicators for the next stage of work to build on the progress that the reform made, and regularly reporting to the government on progress towards outcomes and key risks b) using the Their Futures Matter Human Services Dataset to identify the needs of vulnerable children and families, and undertake independent service mapping to assess the extent to which existing services respond to these needs c) working with agencies to track and report achievements against the whole of government shared outcomes framework for children aged zero to five years d) applying a consistent evaluation framework to all government funded services and programs for vulnerable children and families identified in the TFM investment pool, to assess and compare effectiveness, costs and benefits, and inform service planning and funding redirection e) identifying gaps, duplication and ineffective programs identified in the TFM investment pool serving vulnerable children and families to inform service planning and funding redirection f) assisting agencies with repurposing any programs identified in the TFM investment pool that are comparatively less effective, and redirecting this funding to more effective evidence-based approaches g) identifying means to scale up proven TFM pilot programs or promote their elements of success for wider adoption h) ensuring Aboriginal representation in relevant governance arrangements and all key decision points i) developing and implementing a plan in partnership with Aboriginal services, families and children to address the areas for improvement identified by the Tune and other relevant reviews j) continuing to prepare joint submissions to seek additional funding where the evidence supports this.

New South Wales Auditor-General's Report - Performance Audit
{Their Futures Matter}

Agency Response	ACCEPTED		
	<p>The Stronger Communities cluster was created on 1 July 2019 with the merger of the former Family and Communities and Justice clusters. These arrangements will achieve much greater collaboration across family, communities and justice functions. The new cluster is prioritising prevention and early intervention across the social support system to respond to the causes and symptoms of poverty and disadvantage.</p> <p>As part of these changes, in July 2019 the Their Futures Matter (TFM) Implementation Unit transitioned to the new Stronger Communities Investment Unit (SCIU). The SCIU is fully integrated with the Stronger Communities cluster to lead whole-of-government delivery of the investment approach. This will involve SCIU continuing to work across government agencies to align strategic commissioning and funding to where it can make the biggest difference, as early as possible, to improve outcomes for vulnerable children and families.</p>		
	AGREED ACTIONS	Person responsible	Date to be actioned by
1)	<p>The SCIU, through revised governance arrangements as recommended by the NSW Audit Office, will develop a Stronger Communities Investment Plan before the end of June 2021 that sets a clear strategy for the next stage of work to build on the progress the reform has made. The Stronger Communities Investment Plan will, consider :</p> <ul style="list-style-type: none"> • the use of Their Futures Matter Human Services Dataset to identify the needs of vulnerable children and families and inform investment priorities and service planning • evaluation of government funded services and programs identified in the TFM investment pool against whole of government outcomes for children zero to five years • Identified opportunities to scale up proven TFM pilot programs or promote their elements of success for wider adoption and repurpose funding for programs in the TFM investment pool identified as comparatively less effective <p>The revised governance arrangements will include Aboriginal representation and cross-agency mechanisms to resolve areas of joint responsibility including funding.</p>	Executive Director Stronger Communities Investment Unit	June 2021

**New South Wales Auditor-General's Report - Performance Audit
{Their Futures Matter}**

2)	<p>Revise the governance arrangements for Their Futures Matter to:</p> <ul style="list-style-type: none"> a) ensure the participation of all relevant Ministers in decisions on the reform's performance, risks and value to each portfolio b) develop and implement a mechanism to resolve cross-agency issues that have reached an impasse, such as through escalation to the Secretaries Board and/or relevant minister's offices c) enhance the capability of the Their Futures Matter Implementation Board - or alternative governance entities established in its place - to include external expertise from Aboriginal leaders, finance professionals, the funded NGO sector, the evaluation and data field, and experienced commissioners. 		
Agency Response	ACCEPTED		
AGREED ACTIONS		Person responsible	Date to be actioned by
2)	<p>Revised governance arrangements will be finalised before the end of 2020 and build on the progress of the cross-government TFM Implementation Board by:</p> <ul style="list-style-type: none"> • Strengthening processes for agency engagement with relevant Ministers on implementing the investment approach and aligning funding to where it can make the biggest difference for vulnerable children and families • Improving cross-agency governance arrangements to identify programs that should be repurposed to the investment pool and redirected to more effective evidence-based approaches to better support vulnerable children and families • Governance arrangements that will enable a revised Stronger Communities Investment Board members to draw on a broader and diverse range of expertise and experience – of both government and non-government leaders – including expertise from Aboriginal leaders, finance professionals, the funded NGO sector, the evaluation and data field and experienced commissioners (for example, through targeted advisory groups or steering committees). 	Executive Director Stronger Communities Investment Unit	December 2020

3

**New South Wales Auditor-General's Report - Performance Audit
{Their Futures Matter}**

3)	<p>Work with partner Ministers and agencies to develop and implement:</p> <ul style="list-style-type: none"> a) a mutually agreed standard of evidence required to make informed funding decisions, and a process to guide how decisions about future redirection of funding will be made where the evidence on effectiveness is mixed, unclear, or difficult to compare b) a process for reprioritising identified funding, building on the evidence and key enablers now in place, including outcomes evaluations from key pilots, the Human Services Dataset and the whole of government shared outcomes framework for children aged zero to five years.
Agency Response	ACCEPTED AND ONGOING
	The TFM board made investment decisions based on data, evidence and evaluations. Building on that work, the Government has established a whole-of-government evidence bank and a data partnership to build and share evidence of what works, establish benchmarks for evidence quality and key assumptions and techniques in modelling investment approaches to policy and progressively catalogue the costs and benefits of different policy interventions. This, combined with the Government's new outcome budgeting approach, will address recommendations 3a) and 3b) above.
4)	<p>Ensure, for the Their Futures Matter Human Services Dataset that:</p> <ul style="list-style-type: none"> a) there continue to be data governance arrangements in place to preserve the independence of the Data Set, and protect the privacy of the data it contains b) there is a strong mandate and clear cross agency accountability governing data sharing and use, and rigorous controls are in place to ensure the quality, reliability, accuracy and completeness of the data, and compliance with relevant legislation and directions c) it captures relevant outcomes and administrative data, and is regularly updated and analysed d) insights from its analysis continue to be shared within government and with external stakeholders including funded service providers and academics e) it is used effectively to enhance service delivery, guide investment and drive social policy reforms in NSW
Agency Response	ACCEPTED AND ONGOING
	The Human Services Dataset will continue to be well governed and controlled and regularly updated. Its insights will continue to be shared inside and outside government and it will continue to be used to guide investment, improve service delivery and drive social policy reform.

4